

## COMMITTEES

### Community Affairs Committee Report

**Senator MOORE** (Queensland) (10.23 a.m.)—I present the report of the Senate Standing Committee on Community Affairs entitled *A decent quality of life: inquiry into the cost of living pressures on older Australians*, together with the *Hansard* record of proceedings and documents presented to the committee.

I am very pleased to be able to stand here with other members of the committee and talk to our report. Its title gives some indication of the feeling of the committee in the response of over 250 submissions and also the number of personal submissions and evidence received by the committee.

This particular reference about the cost of living on older Australians was originally referred to the Senate community affairs committee in June 2007. That does seem a very long time ago but you would understand that the time frame for the committee had been affected by the election period. In fact the committee only held three public hearings. It is a bit of regret for members of the committee that we were not able to have more interaction with the people who gave evidence, sent us their life stories and gave us submissions about their concerns about the cost of living for older Australians in our country.

The committee has presented a report today which has set out to look at the core issues that committee members considered should be taken into consideration for more research and inquiry around the particular issues that came before us. The committee makes no statement that it has come up with a definitive response to the issues that were in the terms of reference. We have received the submissions, we have listened to the stories and, as a committee, we believe that there must be more work done because there is no short-term, simplistic response to the kinds of issues that came before us.

I think at this point it is very important to acknowledge and to appreciate the efforts, courage and honesty of the people who chose to contribute to the committee's activities. Not only were there written submissions—and we received them from large organisations and from people who work with older Australians across our country—but in many ways the strength of our communities is that a number of Australian citizens who had concerns, who were interested and who wanted to be part of the process made the significant decision to come forward and tell us about what they thought was important. In many cases these stories were harrowing because people were saying—in some cases with a degree of confusion and anger and then sometimes with a touch of shame—that they were not living well, that the choices and life choices that they had made, sometimes personally but sometimes forced upon them, had meant that they felt that, at a time when they had had hopes that they would be in comfortable, secure placement, they were instead needing to seek help. For many people that came to our committee that was something about which they were not proud and it was something about which they had to come to the committee and say, 'This is not what we had planned.'

As a committee we listened to that and we came up with a number of recommendations. There are a lot of recommendations and probably the core issue is that you cannot talk about older Australians as one group. As with every group in our country, there are a range of experiences, a range of choices and also a range of circumstances. There is not one answer to the pressures for older people living in our country, but what we have seen is that the expectations of

people in our country have had varying responses. We now have a system that is based on three elements for the cost of living as people grow older. Firstly, there is an ongoing expectation that there is some role for government and that there will be a form of government support and a pension scheme of some type. Secondly, over the last 10 to 15 years there has been a growing acceptance of the role of superannuation, which has once again come up as a major issue in this report. We follow in the footsteps of that august previous committee of this place which was longstanding in itself, the Senate Select Committee on Superannuation, and we were very pleased to learn from some of the things that that committee talked about through their extensive consideration of superannuation in this country.

One of the core recommendations of our committee is looking at the way superannuation is handled in our country. One of the issues is that we are actually in the middle of the process at the moment. There has been an economic decision in Australia that there is an expectation that citizens will take some ownership of their long-term life position by effectively having a superannuation program to which they contribute, which will take some of the stress away from their living as they get older. But we are in the middle because people are now only beginning in their working lives to plan around a working life that is backed up by superannuation. We found consistently that, while people throw around the terms 'superannuation earning' and 'superannuation understanding', we are in a position where many people have not been able to build up effective superannuation entitlements which will offset the always increased pressures of living without an ongoing wage.

In chapter 3 of our report we look specifically at the issue of income because we know that the income for people who are growing older is very much determined by the way they have built income choices through their working lives. We highlight the fact that superannuation 'is the key vehicle of the retirement income system and allows older people to maintain a higher standard of living than offered by reliance on the pension alone'.

They are only a few words but they actually sum up a core part of the change in the expectation of people in our country. But we also know that it is estimated that the full impact of people having an expectation of superannuation entitlements during their working lives will not cut in for several years. In that time there will be a constant balancing between those of us who have been fortunate enough to have superannuation planning and been able to build that through, and other people who have had disrupted forms of employment or employment that did not offer superannuation entitlements.

Also, an ongoing issue throughout our whole campaign, and one with which so many people are familiar, was that of women in the workforce as they grow older not having a cushion—that bank of superannuation entitlements—because of the way the Australian workforce operated for so long. Consistently we had evidence from women, and men who understood and supported their evidence, that when we look at people being able to build up the insurance of an effective savings plan through superannuation, women in our country have been disadvantaged. Now women who are beginning to work in the workplace are able to equitably join a superannuation scheme—we will not have the debate about equal pay now; we have not got the time—but in terms of being able to plan we need to see that all citizens are given full information and the ability to take an active role in planning their own retirement and see a future during which they will not need to be reliant on government support.

The third stream was of people who will have effective savings plans that are not linked to superannuation. People relied so much in the past on the way the government moved in relation to pension arrangements, but we know that the pension will not be the road for the future. We also understand that there will always be people in our community for whom the government must take some responsibility. Throughout our report we called them the people who are most vulnerable. As a caring society we must accept our responsibilities to support those who have been damaged and those who are vulnerable. They are the people who must rely on some support from the government for 'a decent quality of life'—the title of our report.

Our core recommendation is that there should be—there must be—a review of how the system operates in Australia. There is no particular science about how the original pensions were determined. Over the years there have been various government decisions to look at the very important aspect of how pensions are indexed. That took up a great deal of debate in our committee. We had significant evidence, with graphs and very effective notations, from the department—FAHCSIA—that on one level the quality of life for Australians is comparatively stronger now than it has ever been. But I am not prepared to go to the people who came to our committee with their own pain and their own hardship and show them those graphs and say, 'You must be satisfied.'

As a community we must have a good, independent look, using the researching elements that are available in our country, to analyse exactly what is the best way to determine an effective, decent quality of living for all people—but in this case we are talking about older Australians—and to ensure that this is maintained, because consistently we heard that setting a level and then not effectively indexing it causes greater pain. Our core recommendation is that there must be a review and reconsideration. I know that other people will follow on with more points. (*Time expired*)